1	2	3	4	5	6
14.	Orissa	-	-	-	-
15.	Patna	-	-	-	-
16.	Punjab	7	-	-	-
17.	Rajasthan	-	-	-	-
18.	Sikkim	-	-	-	-
	TOTAL	7	11	20	9

Balance of Trade

*250. DR. LAXMINARAYAN PANDEY
DR. G.R. SARODE

Will the Minister of COMMERCE be pleased to state:

(a) the estimated gap between the values of import and export made during 1996-97;

(b) the estimated gap between the first three months of the current year;

(c) whether the main reason for widening of this gap is the import value being more than the export value;

(d) if so, the increase or decrease in the value of imports and exports as compared to that in the corresponding months of the last year; and

(e) the steps taken by the Government to improve the position in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). The trade deficit (the gap between value of imports and exports for the current financial year is estimated as US $ 0.938 billion during April-June 1996, the latest period for which provisional data from DGCI&S is available. As regards the trade gap for the whole of 1996-97, it is expected to be significantly lower than $4.53 billion recorded during 1995-96.

(c) and (d) During April-June 1996 exports have registered a growth of 14.4% in dollar terms while imports have shown a growth of 14.3% over the corresponding period in the previous year.

(e) The key to reducing trade deficit lies in accelerated export growth. Export promotion measures are continuously being taken by the Government through policy and promotional schemes. These include simplification of Export Import Policy procedures, improving efficiency and competitiveness, focussing on quality and technology upgradation, efforts to actively involve the State Governments in export promotion. Export promotion is a continuing activity based on interaction with industry, trade and other export promotional institutions.

Tax Exemption to Small Scale Industries

*251. SHRI BANWARI LAL PUROHIT: Will the Minister of FINANCE be pleased to state:

(a) whether the Small Scale Industries in the country are given exemptions in various taxes, etc; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). Under Section 80 HHA of the Income Tax Act, small scale industrial undertakings are allowed a deduction of 20 percent on their profits and gains, subject to the fulfillment of various conditions as laid down in that section. Further, such undertakings are eligible for deductions ranging from 20 to 25 percent under Section 80-I/80IA of the above Act on their profit and gains.

Excise duty exemption is allowed to Small Scale Industries as follows :-

Value of Clearance	*Exemption*
Upto Rs. 30 lakhs turnover	Full Exemption from excise duty
Above Rs. 30 lakhs turnover, but upto Rs. 50 lakhs	Normal Duty minus 10 per cent subject to a minimum of 5 per cent
Above Rs. 50 lakhs turnover, but upto Rs. 75 lakhs.	Normal duty minus 5 per cent subject to a minimum of 5 per cent.

In addition, certain commodity specific schemes are also available under which excise duty concessions are provided to small scale industrial units manufacturing specific goods.

Extra Charges By Banks to Compute Easier

*252. SHRI MANGAL RAM PREMI: Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to the newsitemcaptioned "charging extra to compute easier Banks 'round off' to net Rs. 300 Cr" appearing in the *Economic Times* New Delhi dated March 18,1996;

(b) if so, the facts thereof;

(c) the reaction of the Government thereto; and

(d) the steps taken to check such unbecoming activities of the banks?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P.CHIDAMBARAM) : (a) Yes, Sir.

(b) to (d). On September 2, 1991 Reserve Bank of India (RBI) had advised all Banks that they should pass on the incidence of the interest tax, 'pro-rata' to their borrowers. The Banks were also advised by the RBI to follow a uniform practice in this regard in consultation with the Indian Banks' Association(IBA). The IBA, by a circular dated October 9, 1991 advised their member Banks that the rates of interest might be loaded with the interest tax of 3% and rounded up to the higher 0.25%. The rounding off of interest inclusive of tax to the higher 0.25% is being done by Banks in accordance with the uniform practice worked out by the IBA.

Loans from International Financial Institutions

*253. SHRI PRABHU DAYAL KATHERIA
SHRI VIJAY GOEL :

Will the Minister of FINANCE be pleased to state :

(a) whether the Union Government propose to allow the State Governments to obtain loans/assistance directly from the international financial institutions;

(b) if so, the details thereof;

(c) whether the Asian Development Bank has now initiated the process of direct lending to the individual States; and

(d) if so, the reaction of the Union Government thereto?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (d). As per the Constitution of India foreign loans from International Financial Institutions can only be contracted by the Central Government. The question of allowing State Governments to obtain loans/assistance directly from the international financial institutions, therefore, does not arise.

Natural Rubber

*254. SHRI N. DENNIS : Will the Minister of COMMERCE be pleased to state :

(a) the total quantity of natural rubber imported during each of the last three years, and

(b) the details of the policy adopted by the Government for such import?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) Total quantity of natural rubber imported during the last three years inclusive of imports against Advance Licences is as follows:

Year	Quantity (in tonnes)
1993-94	21384
1994-95	8531
1995-96	53225 (Provisional)

(b) Decision to import of natural rubber is taken by the Government after considering the gap between demand and domestic availability, international and domestic prices and the interests of growers and industrial consumers of the commodity.

[Translation]

World Bank Loan at Concessional Rate

*255. SHRI CHUN CHUN PRASAD YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether the World Bank has expressed its inability for providing loans at concessional rates to the Union Government; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) No, Sir.

(b) Does not arise.

Restructuring of FIPB

*256. SHRI SARAT PATTANAYAK : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government propose to restructure Foreign Investment Promotion Board; and

(b) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) Yes, Sir. The Government have, with effect from 11th July, 1996 reconstituted the Foreign Investment Promotion Board (FIPB) to invite and facilitate investment in India by international companies in projects which are considered to be of benefit to the Indian economy. There will now be only one Secretariat to FIPB to consider Foreign Investment Proposals to be located in the Department of Industrial Policy & Promotion, which would receive and process the application for presenting before the FIPB. The FIPB recommendations in respect of project proposals each involving a total investment of Rs. 600 crores or less would be considered and approved by the Industry Minister. For cases involving investment of above Rs. 600 crores, FIPB's recommendations would be submitted to the Cabinet Committee on Foreign Investment (CCFI) for decision. Under the revised procedures, the objective is to reduce delays and provide greater transparency in the approval process.